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C E N T R A L I N T E L L I G E N C E A G E N C Y

26 July 1960

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Aftermath of the Ceylonese Elections

1. The Sri Lanka Freedom Party (SLFP) victory in the 20 July elections in Ceylon represents less a shift in popular opinion than the fruits of shrewd politics by the party leadership. By entering into no-contest agreements in many constituencies with the Trotskyite LSSP and the orthodox Communist Party, the SLFP was able to win 75 of the 151 elected seats with only 34 percent of the popular vote. These 75 seats, with the six it appoints, enabled Mrs. Bandaranaike to form a government. The United National Party (UNP) on the other hand won only 30 seats, although it got 38 percent of the popular vote. The marxist parties benefited little from the no-contest agreement with the SLFP and the debate within their ranks over the desirability of the agreement may lead to further dissension among them. The once influential Marxist splinter party of Philip Gunawardena lost 7 of its 10 seats.

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2. Mrs. Bandaranaike will probably try to lead the SLFP along relatively moderate lines similar to those of the late Mr. Bandaranaike. She is likely to favor continuation of the trend toward socialism; "Ceylonization" of private industry and plantation labor is likely to be encouraged; and neutralism will remain the keystone of foreign policy. However, large scale nationalization appears unlikely and there is no reason to anticipate any marked pro-Soviet trend in foreign policy. As far as can be determined, the public is generally satisfied with the outcome of the elections.

3. There are some encouraging aspects to the elections. The SLFP has a majority in its own right and thus will not be dependent on the Marxist parties to run the government. Both the SLFP and the UNP (which represent the moderate left and right in Ceylon) increased their popular vote over the last elections in March 1960, suggesting a trend toward a two-party system. Mrs. Bandaranaike has demonstrated that she has a mind of her own, as well as some political flare, and, if she chooses, will probably be able to retain the premiership for some time.

4. Nevertheless, the prospects for an improvement in Ceylon's stability are not great. Mrs. Bandaranaike is emotional, highly naive politically, and utterly inexperienced at the business of running a nation. The SLFP remains disunited and there will almost certainly be

a struggle for second place and ultimately the succession among the half-dozen competing groups and leaders who make up the party. At the moment, it seems likely that a leading role will be played by Felix R. Dias Bandaranaike, a nephew of the late prime minister. The conflicts among the various leaders is more personal than ideological and some of them will probably be tempted to seek support from both the Marxist parties and the UNP to further their own causes, especially as Ceylon's chronic economic problems erode the government's prestige.

5. All in all, however, in the absence of a UNP majority (which was not thought likely even before the elections), the outcome of the voting is probably more favorable from the US point of view than could have been expected.

FOR THE BOARD OF NATIONAL ESTIMATES:



SHERMAN KENT
Chairman

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